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The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

NIC 00981-89 20 September 89

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

FROM: Fritz W. Ermarth

Chairman

SUBJECT: Possible Topic for Discussion

with Scowcroft and Gates

Because of the annual NIC offsite conference, I shall miss your 26 September brainstorming session on contingency planning for the possibility of Gorbachev's fall or changes of policy. No doubt, follow-on sessions will occur. Meanwhile, I'd like to offer some thoughts on a related subject -- the <u>future of East Europe</u> -- which you might wish to bring up with Scowcroft and Gates or during the 26 September discussion.

Whatever happens to Gorbachev and perestroyka, it seems increasingly likely that the Soviet Union's hegemonial position in East Europe and, possibly, the Warsaw Pact itself are headed for collapse. This looks less like a "what if" contingency than a prospect inherent in the course of events, and would seem to require some profound thinking and planning on the part of Washington, and then among NATO governments. Clearly the most fundamental security issues are involved, harboring both opportunities to advance our interests and values, but also dangers of strife and confrontation in Central Europe.

The topic of replacing "Yalta Europe" is already vividly on the public agenda. The Administration is wise to avoid promulgating sweeping new doctrines before thinking the problem through and consulting thoroughly with allies. But the thinking process ought urgently to begin.

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SUBJECT: Possible Topic for Discussion with Scowcroft and Gates

The <u>forces auguring for a fundamental transformation in</u> Central Europe are clearly visible:

Under a government lead by non-communists, Poland is clearly no longer the ally demanded of the traditional Warsaw Pact military and political structure, even though the military remains in communist control. The Polish communists are splitting into social-democratic and Leninist factions. Many functionaries are seeking to secure their futures by leaving the party. Even if the Mazowiecki government fails, it seems highly unlikely that "Moscow's Poland" can ever be restored, even by outright force.

Hungary is even more explicit about leaving Moscow's orbit. Its communist party is clearly evolving toward social democracy. It has opted out of political control of the armed forces. Its leaders speak openly of neutralism.

East Germany could be the next Pact country to catch the reform virus. Signs of onsetting infection are accumulating rapidly. A sclerotic hardline leadership seized with a succession struggle can probably only delay by knocking heads the day when a turn to reform and a consequent devolution of power are inevitable.

Czechoslovakia, while less in the news, is very much in the same boat.

Without the cooperation of essentially Leninist parties in power, Moscow's whole political, economic, and military posture in East Europe is unsustainable. COMECON and the Warsaw Pact will become hollow shells at best, even if the USSR has voluminous trade with East Europe and stations troops there. This is because there are so few organic economic and security interests that tie these countries, except perhaps Bulgaria, to Moscow. Poland, to be sure, has a residual concern about German territorial irredentism, but it would rather rely on Pan-European and American guarantees than on Muscovite hegemony, the costs of which have been so onerous.

There is a point beyond which even a reactionary/restorationist regime in Moscow will be unable to put humpty-dumpty back together again. It is hard to prove exactly where that point is, but I personally suspect it may already have been passed. This does not mean that some such regime may not try to recoup its traditional position, but that it will meet widespread resistance and unleash the most dangerous instabilities in the attempt.

SUBJECT: Possible Topic for Discussion with Scowcroft and Gates

These trends hold open the prospect for a peaceful, unified, and democratic Europe. But they also carry the possibility of relapses to traditional East European authoritarianism and nationalistic confrontations (e.g., Hungary versus Romania), even if Soviet repressive intervention is avoided. What makes them so difficult for statesmen, and intelligence observers like ourselves, to grapple with is that these trends are already well beyond the control of governments and political leaders.

Along with some discreet thinking about the future without Gorbachev in Moscow (or with a less appealing Gorbachev), I am merely suggesting that we also need some quiet backroom thinking about the very sweeping questions posed by visible trends in Europe:

How can the emergence of Post-Yalta East Europe be kept peaceful?

If democracy and market economics are the key to peace and prosperity in the region, what general Western help is called for?

How do we help reassure a reformist Moscow about legitimate security concerns or deter a reactionary Moscow from acting violently in defense of illegitimate hegemony?

How do we deal with the impulse to liberalization in the GDR and then reunification in Germany?

What forms of US and Soviet military involvement in Europe are conducive to a peaceful, united, and free Continent? Will CFE contribute to the desired outcome, or might it become a license signed by the West for Moscow to keep troops where they are neither wanted nor needed?

For our part in intelligence, I have already asked the NIOs for USSR, Europe, and General Purpose Forces to start thinking about some of these issues, including the mechanical ones such as how the Warsaw Pact command machinery deals with the buffeting it must expect. We recently did an interagency think piece on the "Post-CFE Environment", which required very unconventional thinking. Political sensitivity precludes our taking so open an approach to the topic suggested here, "The Post-Warsaw Pact Environment." But the CFE effort showed that the Community's analysts can deal with very unconventional subjects when called upon.

Fritz W. Ermarth

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